

# HOUSE JOURNAL

## OF THE

# IDAHO LEGISLATURE

SECOND REGULAR SESSION  
SIXTIETH LEGISLATURE

**FIRST LEGISLATIVE DAY  
MONDAY, JANUARY 11, 2010**

### House of Representatives

The House convened at 12 noon, January 11, 2010, the time established for the convening of the Second Regular Session of the Sixtieth Legislature, the members of the House of Representatives convened in the House Chamber of the Capitol Building in the City of Boise, with Lawrence Denney, Speaker, presiding.

Roll call showed all 70 members present.

At this time the Speaker put the House at ease for the Flag Ceremony.

Prayer was offered by Chaplain Tom Dougherty.

The Pledge of Allegiance was led by Chaplain Tom Dougherty.

There being no objection, the House advanced to the Fourth Order of Business.

### Consideration of Messages from the Governor and the Senate

The Chief Clerk read the official proclamation as follows:

I, Ben Yursa, Secretary of State of the State of Idaho and legal custodian of the records of elections held in the State of Idaho, do hereby certify that the following is a full, true and complete list of those elected to serve as members of the House of Representatives of the Second Regular Session of the Sixtieth Legislature, as shown by official records on file in my office:

DISTRICT	NAME
1 .....	Eric R. Anderson (R), George E. Eskridge (R)
2 .....	Mary Lou Shepherd (D), R. J. "Dick" Harwood (R)
3 .....	Jim Clark (R), Phil Hart (R)
4 .....	Marge Chadderdon (R), George C. Saylor (D)
5 .....	Bob Nonini (R), Frank N. Henderson (R)
6 .....	Tom Trail (R), Shirley G. Ringo (D)
7 .....	Liz Chavez (D), John Rusche (D)
8 .....	Ken A. Roberts (R), Paul E. Shepherd (R)
9 .....	Lawrence Denney (R), Judy Boyle (R)
10 .....	Pat Takasugi (R), Darrell Bolz (R)
11 .....	Steven P. Thayne (R), Carlos Bilbao (R)
12 .....	Robert E. Schaefer (R), Gary E. Collins (R)
13 .....	Brent J. Crane (R), Steve A. Kren (R)
14 .....	Mike Moyle (R), Raúl R. Labrador (R)
15 .....	Lynn M. Luker (R), Max C. Black (R)

16 .....	Grant Burgoyne (D), Elfreda Higgins (D)
17 .....	William M. "Bill" Killen (D), Susan B. "Sue" Chew (D)
18 .....	Branden J. Durst (D), Phylis K. King (D)
19 .....	Anne Pasley-Stuart (D), Brian Cronin (D)
20 .....	Joe Palmer (R), Marv Hagedorn (R)
21 .....	Richard D. "Rich" Jarvis (R), Clifford R. Bayer (R)
22 .....	Richard "Rich" Wills (R), Pete Nielsen (R)
23 .....	Jim Patrick (R), Stephen Hartgen (R)
24 .....	Leon E. Smith (R), Sharon L. Block (R)
25 .....	Wendy Jaquet (D), Donna L. Pence (D)
26 .....	John A. "Bert" Stevenson (R), Maxine T. Bell (R)
27 .....	Scott Bedke (R), Fred Wood (R)
28 .....	Dennis M. Lake (R), Jim Marriott (R)
29 .....	Ken Andrus (R), James D. Ruchti (D)
30 .....	Donna H. Boe (D), Elaine Smith (D)
31 .....	Marc Gibbs (R), Thomas F. Loertscher (R)
32 .....	Janice K. McGeachin (R), Erik Simpson (R)
33 .....	Jeff Thompson (R), Russ Mathews (R)
34 .....	Mack G. Shirley (R), Dell Raybould (R)
35 .....	JoAn E. Wood (R), Lenore Hardy Barrett (R)

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Idaho. Done at Boise, the Capital of Idaho, this 6th day of January, in the year of our Lord, two thousand and ten, and of the Independence of the United States of America, the two hundred and thirty-fourth.

/s/ Ben Yursa  
Secretary of State

The Certificate of Election was ordered filed in the office of the Chief Clerk.

### THE OFFICE OF THE GOVERNOR EXECUTIVE DEPARTMENT BOISE, IDAHO

### CERTIFICATE OF APPOINTMENT

KNOW ALL MEN, by these Presents that Jim Marriott, State Representative, District 28, House Seat B, Bingham County, State of Idaho, pursuant to the provisions of Section 59-917, Idaho Code, has nominated Neil Anderson of Blackfoot, Idaho, to perform the duties of this office temporarily as Acting State Representative.

NOW, THEREFORE, I, C. L. "BUTCH" OTTER, Governor of the State of Idaho, by virtue of the authority vested in me by Section 59-917, Idaho Code, do hereby appoint Neil Anderson, Acting State Representative, District 28, House Seat B, Bingham County, State of Idaho, for a term commencing on January 11, 2010, and continuing until the incumbent shall resume the performance of the duties or a vacancy occurs in such office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho.

Done at Boise, the Capital of Idaho, this 11th day of January, in the year of our Lord two thousand and ten and of the Independence of the United States of America, the two hundred and thirty-fourth year.

/s/ C. L. "BUTCH" OTTER  
Governor  
/s/ BEN YURSA  
Secretary of State

The Certificate of Appointment was ordered filed in the office of the Chief Clerk.

The Speaker announced the oath of office had previously been administered to Neil Anderson.

There being no objection, the House advanced to the Seventh Order of Business.

### **Motions, Memorials, and Resolutions**

#### **HOUSE RESOLUTION NO. 3**

**BY MOYLE AND RUSCHE**

A HOUSE RESOLUTION

DETERMINING THE SELECTION AND COMPENSATION OF THE EMPLOYEES OF THE HOUSE OF REPRESENTATIVES OF THE SECOND REGULAR SESSION OF THE SIXTIETH IDAHO LEGISLATURE.

Be It Resolved by the House of Representatives of the State of Idaho:

WHEREAS, House Rule 74 provides that the selection and compensation of the employees of the House of Representatives shall be determined by resolution of the House of Representatives.

NOW, THEREFORE, BE IT RESOLVED by the members of the House of Representatives, that the selection and compensation of the officers and employees of the House of Representatives of the Second Regular Session of the Sixtieth Idaho Legislature be determined by the Speaker of the House of Representatives.

#### **HOUSE CONCURRENT RESOLUTION NO. 35**

**BY MOYLE AND RUSCHE**

A CONCURRENT RESOLUTION

PROVIDING FOR A JOINT SESSION OF THE HOUSE OF REPRESENTATIVES AND THE SENATE OF THE SECOND REGULAR SESSION OF THE SIXTIETH IDAHO LEGISLATURE FOR THE PURPOSE OF HEARING A MESSAGE FROM THE GOVERNOR.

Be It Resolved by the Legislature of the State of Idaho:

WHEREAS, the Governor has informed the House of Representatives and the Senate that he desires to deliver a message to a Joint Session of the House of Representatives and the Senate of the Second Regular Session of the Sixtieth Idaho Legislature in the Chamber of the House of Representatives at 1 p.m. on Monday, January 11, 2010.

NOW, THEREFORE, BE IT RESOLVED by the members of the Second Regular Session of the Sixtieth Idaho Legislature, the House of Representatives and the Senate concurring therein, that the House of Representatives and the Senate meet in Joint Session on Monday, January 11, 2010, at 1 p.m. for the purpose of hearing the message from the Governor.

[HR 3](#) and [HCR 35](#) were introduced, read the first time by title, and referred to the Judiciary, Rules, and Administration Committee for printing.

Mr. Moyle asked unanimous consent that two committees be appointed by the Speaker; one to notify the Governor, and one to notify the Senate that the House is organized and ready to do business. There being no objection, it was so ordered.

The Speaker appointed the following committees to notify the Governor and the Senate.

Representatives Bayer, Block, and Sayler were appointed as the committee to notify the Governor and Representatives Harwood, Labrador, and Ruchti were appointed as the committee to notify the Senate. The committees were excused.

There being no objection, the House returned to the Fifth Order of Business.

### **Report of Standing Committees**

January 11, 2010

Mr. Speaker:

We, your COMMITTEE ON JUDICIARY, RULES, AND ADMINISTRATION, report that we have printed [HCR 35](#).

Clark, Chairman

[HCR 35](#) was ordered held at the Desk.

There being no objection, the House advanced to the Seventh Order of Business.

### **Motions, Memorials, and Resolutions**

Mr. Moyle moved that all rules of the House interfering with the immediate consideration of [HCR 35](#) be suspended; that the portions of Section 15, Article 3 of the Constitution of the State of Idaho, requiring all bills to be read on three several days be dispensed with, this being a case of urgency; and that [HCR 35](#) be read the first time by title, second time by title, and third time at length, and placed before the House for final consideration. Seconded by Mr. Rusche.

The question being, "Shall the rules be suspended?"

Roll call resulted as follows:

AYES – Anderson, Andrus, Barrett, Bedke, Bell, Bilbao, Black, Boe, Bolz, Boyle, Burgoyne, Chadderdon, Chavez, Chew, Clark, Collins, Crane, Cronin, Durst, Eskridge, Gibbs, Hagedorn, Hart, Hartgen, Henderson, Higgins, Jaquet, Jarvis, Killen, King, Kren, Lake, Loertscher, Luker, Marriott(Anderson), Mathews, McGeachin, Moyle, Nielsen, Nonini, Palmer, Pasley-Stuart, Patrick, Pence, Raybould, Ringo, Roberts, Rusche, Schaefer, Shepherd(02), Shepherd(08), Shirley, Simpson, Smith(30), Smith(24), Stevenson, Takasugi, Thayne, Thompson, Trail, Wills, Wood(27), Wood(35), Mr. Speaker. Total – 64.

NAYS – None.

Absent and excused – Bayer, Block, Harwood, Labrador, Ruchti, Sayler. Total – 6.

Total – 70.

Whereupon the Speaker declared that more than two-thirds of the membership having voted in the affirmative, the motion carried, the rules were suspended, and [HCR 35](#) was read the first time by title, second time by title, and third time at length, and placed before the House for final consideration.

At this time, the Speaker recognized Mr. Moyle to open debate.

The question being, "Shall [HCR 35](#) be adopted?"

Whereupon the Speaker declared [HCR 35](#) adopted by voice vote and ordered the resolution transmitted to the Senate.

There being no objection, the House advanced to the Thirteenth Order of Business.

**Miscellaneous and Unfinished Business**

The following committee assignments were made:

**Lincoln Day Committee**

Representative Bolz, Chairman  
Representative Thayn  
Representative Jaquet

**Memorial Committee**

Representative Smith(24), Chairman  
Representative Bilbao  
Representative King

There being no objection, the House returned to the Seventh Order of Business.

**Motions, Memorials, and Resolutions**

The committee appointed to notify the Governor that the House was in session returned to the House and reported they had conveyed the message to the Governor and that the Governor sent his greetings and best wishes for a productive session. The committee was thanked and discharged by the Speaker.

The committee appointed to notify the Senate that the House was in session returned to the House and reported that they had conveyed the message to the Senate, and the Senate returned its best wishes for a productive session. The committee was thanked and discharged by the Speaker.

At this time, Senators acting as a committee from the Senate, were escorted into the House Chamber to notify the House of Representatives that the Senate was organized and ready for business. The Speaker thanked the committee.

Mr. Moyle asked unanimous consent that a committee be appointed to wait upon the Senate and escort the Senators to the House Chamber for the purpose of attending the Joint Session. There being no objection, it was so ordered.

The Speaker appointed Representatives Nonini, Trail, and Pence as the committee to wait upon the Senate. The committee was excused.

The committee appointed to wait upon the Senate returned and reported that the Senate was waiting to enter the House Chambers. The Speaker thanked and discharged the committee.

**JOINT SESSION**

Pursuant to **HCR 35**, the hour of 1 p.m. having arrived, the members of the Senate entered the Chamber and met in Joint Session with Speaker the Speaker presiding.

Roll call of House showed 69 members present.  
Absent and excused – Schaefer. Total – 1.  
Total – 70.

Roll call of the Senate showed all 35 members present.

The Pledge of Allegiance was led by Chaplain Tom Dougherty.

Prayer was offered by Chaplain Tom Dougherty.

Mr. Moyle asked unanimous consent that one committee be appointed to wait upon the Supreme Court Justices and Appellate

Court Judges and one to wait upon the Elected Officials and escort them to the Chamber. There being no objection, it was so ordered.

The Speaker appointed Senators Darrington and Bock and Representatives Clark and Boe as the committee to wait upon the Supreme Court Justices and Appellate Court Judges and Senators Fulcher and Malepeai and Representatives Raybould and Pasley-Stuart as the committee to wait upon the Elected Officials and escort them to the Chamber. The committees were excused.

Mr. Moyle asked unanimous consent that the Speaker appoint a committee to wait upon the Governor and escort him to the Chamber. There being no objection, it was so ordered.

The Speaker appointed Senators Davis and Kelly and Representatives Moyle and Rusche as the committee to wait upon the Governor and escort him to the Chamber. The committee was excused.

The committee appointed by the Speaker escorted the Supreme Court Justices and the Appellate Court Judges to the Chamber where they were presented to the Joint Session.

The committee appointed by the Speaker escorted the Elected Officials to the Chamber where they were presented to the Joint Session.

The committee appointed by the Speaker escorted the Governor to the Chamber.

His Excellency, the Governor of the State of Idaho, C. L. "Butch" Otter, was introduced by the Speaker and the following State of the State Message and Budget Address was delivered by Governor Otter.

Mr. Speaker, Mr. President, Honorable Justices, my fellow constitutional officers, legislators, members of my Cabinet, Senator Risch, honored guests, friends, my family and our First Lady my fellow Idahoans.

Welcome back to the People's House!

It's been three years since a State of the State address was delivered in this historic building this great monument to freedom and self-determination.

Please join me in showing our thanks to the skilled men and women who restored our Capitol beyond its original glory, and in doing so reflected our best hopes for an even brighter future.

And they did it on time and on budget!

Now let me extend my congratulations to two outstanding football teams that have made all of us in Idaho proud.

Whether you're a Bronco or a Vandal, you have a lot to celebrate right now!

I also appreciate them giving me bragging rights as one of only three Governors in America with a 100-percent winning percentage in this season's bowl games!

Let's hear it now for the University of Idaho Vandals and head coach Robb Akey, and for the Boise State University Broncos and head coach Chris Petersen for giving us all so much to cheer about!

We take great pride in our football teams and in ALL our young people here in Idaho. And rightly so.

That's one reason it's been so difficult for us to watch these past few years that we've been away from this Capitol while the world around us has changed so dramatically.

We have a different president. We have a different economic climate. And out of necessity we have different priorities.

But our people's indomitable spirit remains the same challenged but strong, concerned but resilient.

I have been consistently inspired and energized during the past year by the sense of shared responsibility and community support shown by the hard-working Idahoans I meet all over this great state.

And I want to express my deep gratitude and highest praise for everyone who looked beyond themselves in this difficult time.

Thank you to everyone who held your families and friends close in their struggles.

Thank you to everyone who reached out to neighbors and even complete strangers to assure them that we're all in this together; to offer comfort and hope that things will get better.

And they will.

What I said a year ago is just as true today: We have the experience; we have the talent, the intelligence, the will and most of all the people to get through this smarter, tougher and better than ever, and we will.

Ladies and gentlemen, after a lifetime in Idaho and a generation in Idaho's public life, and having traveled to every corner of this state listening to the people we serve, I will tell you that our corner of this great republic is alive and well.

But make no mistake a rebirth of prosperity won't happen on its own.

It will require strength of character and the courage of our convictions.

It will require all of us to look beyond the next election, or even the next budget, to the next generation of Idahoans who will be reaping the harvest we sow for good or ill.

And it will require reasserting the core values that define us as Idahoans and as public servants.

So what are those core values?

Idahoans are as independent and freedom-loving as ever.

They rightly believe that their money is well their money.

They believe government should champion and help realize people's own solutions without imposing its own.

They believe that what government does, it must do well effectively and efficiently.

They believe that what government does not do well, it must either do better or not do at all.

They believe the best government is the government closest to them and most reflective of their will our cities, counties and other local jurisdictions.

They believe that more government does not mean more opportunity or more freedom.

And they are just as firm as ever in their belief that government is meant to have only a limited and well-defined role in their lives.

So what does maintaining the proper role of government have to do with us here today?

Everything starting with our commitment to some fundamental principles in the work we are about to undertake.

Number one, we must not raise taxes.

It is not our place to impose an additional economic burden on the people of Idaho who already are struggling, or to put a damper on our economic recovery.

What's more, I hear over and over from small business owners and individual Idahoans that they expect stability and predictability in our State tax structure. Chairmen Lake and Hill understand that.

Number two, we must continue to maintain some level of cash reserve against the prospect of our economic recovery taking longer and being less robust than we hope.

Even the best-case economic scenario involves months and months of delay between business activity and the receipt of State tax revenue.

Prudence demands that we act with caution.

Number three, we must do whatever we can to protect the educational opportunities and safeguard the potential of the next generation of Idahoans our children and grandchildren.

And as our recovery advances, one of our first priorities for new dollars should be our public schools and higher education.

I'm sure that Chairmen Nonini and Goedde will be their champions.

Number four, we must do whatever we can to protect the health, safety and well-being of our citizens especially the neediest and most vulnerable among us.

And number five, we must do whatever we can to avoid any duplication of effort or any waste of the taxpayers' hard-earned dollars.

You will hear more about that in a few minutes.

As you know, I spent a lot of time during the past year listening to Idaho employers and employees. I conducted daylong public meetings with scores of business and innovation leaders from throughout Idaho.

I held extensive follow-up discussions with participants and policy makers.

I met with more than a dozen chambers of commerce from Sandpoint to Pocatello and from Salmon to Fruitland.

Just this past week, I met with leaders of the business financing community from all over Idaho about capitalizing and promoting our economic resurgence.

Next week Commerce Director Don Dietrich and I are meeting with economic development professionals from every corner of Idaho to get their perspective.

My Project 60 initiative our business plan for Idaho's renewed prosperity involves taking all that good advice and building public-private partnerships that are leveraging the effectiveness of our message to employers.

And that message is that Idaho is open for business, that we have the stable tax and regulatory climate in place to help them

thrive, and that our people are ready to compete with any in the world for the opportunity to shine.

Great individuals in businesses large and small are making a real difference all over our state.

People like:

Martin Zacha at ATK, whose ammunition business is thriving, creating jobs and growing in Lewiston.

Robin Woods at Alturas Analytics, whose Moscow company is at the cutting edge of work for the pharmaceutical and biotech industries.

Doug Sayer at Premier Technology, whose Blackfoot operation now is expanding to Mackay and elsewhere, setting the standard for economic opportunity throughout our state.

Paul Schaller at Quest Aircraft, whose Sandpoint business has been recognized nationally for its groundbreaking technology and can-do attitude.

Ron Nilson at Ground Force Manufacturing, whose Post Falls business is creating innovation and incredible value that's in demand around the world.

Tom Harris at Western States Equipment, whose faith in Idaho, our people and our potential convinced him to expand to a great new location in Hayden this past year.

Michael Boerner at Unity Media Group in Eagle, whose breakthrough new online technology already is being adopted by health-care professionals and other businesses throughout America.

Ellen Meyer at Great American Appetizers, whose Nampa company is among our most competitive and aggressive exporters.

John Ihli at Nunhems, which recognized the unique quality and opportunity available in Parma as a location to grow and prosper in America's best seed producing area.

Tim Britt at Synoptek in Boise, who is solving problems for his customers while he works to attract partners from other states to take advantage of all the benefits of doing business here in Idaho.

Jefferson Jewell of Blackfin Technology in Boise, who looked beyond his own software company to recognize that a rising tide lifts all boats, and now is working with his industry and innovators throughout Idaho to grow our economy.

Tom Carbone at Nordic Windpower in Pocatello, who is helping to turn eastern Idaho into a renewable energy hot spot that will drive our future prosperity.

And Steve Appleton at a resurgent Micron Technology, which continues to believe so strongly in Idaho and the potential of our state and our people that it's seeing a rebirth of new technologies and business opportunities.

They all are showing the way to a smarter, more responsive and more promising future for their employees and their communities.

Some of them are with us here today. Ladies and gentlemen, please stand and let us thank you.

With the kind of talent and economic energy they represent, my message today is let's build on that success.

Let's find more ways to unlock the tremendous potential that resides in our cities and towns, in our countryside, and within our citizens. We have many great examples of how to grow our economy for the benefit of all Idahoans.

That involves more aggressively building partnerships, collaborating, listening, and making our public policy consistent with the real needs of the men and women who make our economy go.

Speaking of "aggressive," that's exactly the approach we're taking to convince the Air Force that Boise and Mountain Home are the best places to provide the training and operational homes for its new F-35 Joint Strike Fighters.

This is an exciting opportunity that has the potential to bring 3,000 or more direct career-level jobs and many more positions in support of the new mission throughout the Treasure Valley.

At my direction, Lieutenant Governor Brad Little, our Department of Commerce, and National Guard leaders at Gowen Field are working closely with folks at Mountain Home Air Force Base, Idaho's congressional delegation, our State agencies and community leaders to make a compelling case for bringing the F-35s here.

I appreciate the help and support that members of the Legislature are providing in the effort to bring a new generation of freedom's wings here to Idaho.

Our citizens have proven themselves time and again to be tremendous supporters of and contributors to our Armed Forces.

The F-35 campaign gives us yet another opportunity to show our patriotism and civic virtue, as well as the tremendous advantages we have in terms of air space, weather, proximity and enthusiastic citizen support for military missions here in Idaho.

We have a great opportunity to make this happen, thanks largely to the contributions our troops have made to Idaho over the years. But it will take us all working together to achieve our goal cities, counties, the State, private businesses and individual citizens.

I know I can count on your support.

At the same time, we are not putting all our eggs in one basket.

We are reaching out every day to employers who are considering a move to Idaho to take advantage of our quality of life, our stable, business-friendly tax and regulatory structure and our world-class work force.

To keep improving our chances, we soon will be submitting reports from my Business and Innovation summits to germane committees of the Legislature on what we're hearing from Idaho businesses.

In those reports, you'll see calls for eliminating the personal property tax.

You'll see a recommendation for significant tax credits for infrastructure construction investments including those involving education.

You'll see a proposal to create a homebuyer tax credit similar to the program that was used so successfully down in Utah.

And you will see calls for continuing the work of our Innovation Council toward making it easier to move great

ideas at our universities to great products and services in the marketplace.

Folks, as incredible as they are, our universities are not the only source of great ideas in Idaho.

And great ideas certainly don't all come from here in Boise or from within this Capitol.

That's why I also held a dozen capitals for a day in 2009, from Kendrick to Franklin and from Cascade to Dubois.

For those of you who don't yet know, my Capital for a Day program takes our seat of State government to small and in some cases remote communities in every corner of our state every month. I'm joined by members of my Cabinet in hearing directly from the people about their challenges, their hopes and their fears.

In some cases my visits to Capital for a Day communities have come hard on the heels of devastating news an employer is going out of business or shutting down the local operation, or an opportunity for local development is missed.

There are few experiences in this job as difficult as consoling those who are frustrated by the troubles that life has handed them.

But there also are few experiences in this job as inspiring and as uplifting as looking into the eyes of the people we serve and recognizing that spark of civic virtue that motivates them to stay involved and keep working for something better.

What I hear clearly and consistently from Idahoans is great pride tempered by incredible humility. And I hear a desire from everyone for opportunity for the freedom to have just a chance at succeeding on their own terms.

Idahoans are people who want only to define their own success.

They want only what they earn by their own intellect or the sweat of their own brow, and they want jobs that can become careers by virtue of their own hard work, creativity and commitment.

From government, they expect us to be accountable, to live up to our commitments and to live within their means and then to get out of the way.

They do not want a federal-style, one-size-fits-all, nanny government that not only tells them what to do but how and when to do it.

They do not want a federal-style government intent on spending us into recovery by mortgaging our children's future.

They do not want a federal-style government that is willing to cut any deal, put aside any principle or risk any freedom to build costly entitlement programs at our expense.

That's why it's so very important that those of us entrusted with these jobs fulfill our responsibility to make government as efficient as it can possibly be and to never forget that this is the people's money.

There is no need today for me to recount our economic situation.

We all know this downturn has been among the deepest and longest since the Great Depression. We also know that State government must limit our spending to our revenue.

As H.L. Mencken said, "[Government's] great contribution to human wisdom is the discovery that the taxpayer has more than one pocket."

Now, I wouldn't go quite that far. But our history does show that it's far easier to expand government than to rein it in.

It also is true that government which tries to be all things to all people inevitably fails both itself and the people whose expectations it raises.

I will not ask you to believe that there is a magic potion to cure what ails our economy or our State government. It will require sacrifice and hard work.

As you know, the tiered holdback that I ordered in September gets us only part of the way to addressing the projected shortfall in our Fiscal Year 2010 revenue.

I am asking you today to approve that holdback and to bring your collective wisdom and experience to bear on the remaining shortfall.

I am asking you to work with me in a way that reflects our shared priorities and our commitment to doing what must be done rather than choosing the expedient or popular course.

Ladies and gentlemen, I know that Chairmen Cameron and Bell agree with me that State government must lead by example. We must live within our means.

That means finding and encouraging more efficiency, more innovation, more creativity, more collaboration, and more flexibility.

And perhaps most of all, we must earn the trust and understanding of our people both those who serve and those who rely on our services.

Building public trust and understanding is why we will be continuing our discussion about the funding needs of our roads and bridges throughout the coming year.

Transportation remains a very important priority for my administration as I know it does for you.

Our economic well-being as individuals and as a state will remain in jeopardy without safe and efficient corridors of commerce.

That's why Lieutenant Governor Little is leading my Transportation Task Force with the help of legislators and private citizens to carefully study and consider the long-term needs that still must be addressed once our economy turns around.

In the meantime, we're focusing on what works in making better use of the people's money!

At the Idaho Transportation Department, changing the way we're doing business is working. It's led to millions of dollars in savings on highway projects throughout the state.

Along with federal stimulus funding, that's enabling us to stretch our transportation dollars farther than ever a fact I know Chairmen McGee and Wood appreciate.

The inmate population in our State prisons has leveled off.

That's due in large measure to your work led by Chairmen Darrington and Clark.

And it's thanks to the efforts of an interagency committee that includes Brent Reinke's Department of Correction, Debbie Field's Office of Drug Policy, Dick Armstrong's Department of Health and Welfare, and Colonel Jerry Russell at the Idaho State Police.

It also includes Sharon Harrigsfeld at the Department of Juvenile Corrections, Pardons and Parole Director Olivia Craven, courts administrator Patty Tobias, as well as public-private partnerships that extend to all branches of government.

And it's resulted in substance abuse treatment programs that are working.

At Kelly Pearce's Division of Building Safety, a cross-training initiative that's enabling more inspections to be conducted by fewer, better-trained inspectors is working.

At the Public Utilities Commission and Paul Kjellander's Office of Energy Resources, energy efficiency measures with local organizations and jurisdictions are working.

In fact, they're already saving enough power each year to serve a city about the size of Twin Falls!

At Celia Gould's Department of Agriculture, Toni Hardesty's Department of Environmental Quality and Gary Spackman's Department of Water Resources, an end to duplication of water quality monitoring efforts is working.

In our Judicial Branch, Idaho's State courts recently won national recognition for their innovation and improvement of rural justice administration thanks to the leadership of Chief Justice Dan Eismann and the other justices.

And the judges themselves 100 percent of them throughout Idaho voluntarily worked two days without pay during this past year to help us balance the budget.

These examples and many more are aligned with Ronald Reagan's goals and mine when he said, "It is not my intention to do away with government. It is rather to make it work with us, not over us; stand by our side, not ride our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it."

You often hear the term "good government" being tossed around.

Well, Idahoans believe "good government" doesn't mean "more government" or "bigger government."

It means government that is effective, transparent, accessible, accountable and responsive while maximizing individual freedom.

Most of all, it is government that understands its limitations and that its authority derives from the people in whose individual creativity and civic virtue lie the answers to our collective challenges.

Before I go any further, let me say a few words about the dedication and professionalism of our State agency directors and administrators and their staffs, as well as all the great public employees throughout Idaho.

Seeing their willingness to engage in this good-government process and put forth their best efforts on behalf of our citizens is one of the most satisfying parts of my job.

And I remain committed over the long term to making sure they are not only appreciated but also compensated competitively for their service to the people of Idaho.

For about six weeks now our State employees have been joined in actively addressing our budget concerns by anyone in Idaho with an Internet connection and an interest in good government.

In fact, today we are launching a new feature on the [efficiency.idaho.gov](http://efficiency.idaho.gov) website an interactive discussion of some of the more promising ideas that our citizens have submitted.

I want to thank the hundreds of Idahoans from every walk of life who are going online and offering opinions, insights and perspectives on our State budget.

Those ideas are appreciated and an important part of our considerations. Some of them already are being put in place.

For example, about a dozen individuals suggested improving the energy efficiency of our State buildings.

I'm pleased to report that our newly restored Capitol and hundreds of State-owned buildings throughout Idaho now have been outfitted with such improvements as better insulation, high-efficiency light bulbs, and motion sensors that turn out the lights and turn down the heat when rooms are unoccupied.

That effort is being led by Mike Gwartney at the Department of Administration.

Mike also is working across State government to implement a shared system of fleet management to ensure we're getting the most out of the thousands of vehicles used by State agencies.

Of course, not all the public suggestions can be implemented right away. So we're compiling a report and will join the germane committees of the Legislature in exploring what works for the people we serve.

With that in mind, let me say again that the budget recommendations I bring you today are based on the fact that it is not State government's money. It is the people's money.

As a result, these recommendations are responsibly conservative.

They were developed with great care, deliberation and a full understanding of their consequences real and perceived.

And they provide for a balanced budget, as our Idaho Constitution so wisely requires.

My recommendations include some sweeping changes to the way we do business in State government.

Those changes are meant to be permanent based on a philosophy of government that recognizes our responsibility to individual Idahoans rather than to government itself.

I believe they represent what can and must be achieved within the realities we face, and to more closely align our government with its properly limited role.

Having said that, no one in this room respects the separation of powers and the importance of checks and balances in our system of government more than I do.

While we share a long history and a strong set of values, like any people of good will we sometimes can review the same set of facts and come to starkly different conclusions about a path forward.

I have no doubt that there will be disagreement with some elements of my plan. That is your prerogative.

I am not asking you to substitute my judgment for your own. I am not contending that I have any greater insights or superior perspective on the challenges we face.

I only hope that you will make the time and effort to study what I'm proposing and join me in working patiently and with civility.

I appreciate the tone set by Speaker Denney and Pro Tem Geddes during this difficult process.

As you will see in my Executive Budget, my recommendations are based on zero revenue growth in Fiscal Year 2011.

That threshold agreement on a starting point for our budget work was reached over four months of unprecedented discussions with legislative leaders.

It reflects the relationship between economic recovery and revenue recovery, as well as our continuing commitment to being frugal stewards of the people's money.

As a result, my budget eliminates more than 400 positions throughout State government including about 375 that now are vacant and consolidates some agency operations.

And finally, I'm proposing that for the balance of Fiscal Year 2010 we hold back an additional \$40 million from all State agencies and operations including public schools.

That is among the toughest recommendations I make today.

But the fact is that while other Executive Branch agencies have cut their spending by \$499 million as a result of holdbacks over the past two budget years, we have used almost \$318 million from reserve accounts and federal stimulus funds during that same period to reduce the impact on public schools.

That has buffered them to some degree from our difficult economic realities.

Now legislative leadership and I are in agreement that public schools must participate in this new effort to respond to sharp revenue reductions by paring an additional 1.6 percent from our spending for the remainder of Fiscal Year 2010.

Our proposal would look to local school districts for their specific ideas on how to best achieve the savings, including their discretionary use of local reserve accounts and in extreme cases advances future State funding.

This is not the course that any of us would prefer to follow.

It is unfortunate, but it is a temporary situation made necessary by our circumstances.

Keeping faith with our fundamental principles and with your support we will get through this together.

Keeping faith with our principles also is the basis for my proposal to continue increasing the grocery tax credit as planned in the coming budget year.

Two years ago we agreed on the importance of providing some relief for the neediest and most vulnerable among us from what then was a new increase in our State sales tax.

Ladies and gentlemen, it is a fundamental principle of good government that we ensure we can pay for the promises we make.

To that end, I am recommending that we continue to carefully use our "rainy day" funds to address some of our most immediate and pressing needs.

Specifically, I'm recommending that we use almost \$241 million from our reserve accounts including the non-endowed portion of the Millennium Fund to address projected revenue shortfalls in the balance of Fiscal Year 2010 and in Fiscal Year 2011.

That includes the \$49 million that I asked you in late September to draw from the Public Education Stabilization Fund to cover the public schools portion of the tiered holdback I ordered at that time.

Like you, I remain sensitive to the serious budget challenges facing school districts throughout Idaho.

That's why I am working with Superintendent Luna, the State Board of Education and a diverse coalition of education advocates from the public and private sectors to develop long-term strategies for improving our public schools.

Skip Oppenheimer from the Idaho Business Coalition for Education Excellence and Guy Hurlbutt from the Education Alliance of Idaho are here with us today. Please show them how much we appreciate their efforts to provide world-class education opportunities in Idaho.

I also want to thank the J.A. and Kathryn Albertson Foundation for its great generosity in helping to continue expanding our Idaho Education Network.

Jamie MacMillan of the Albertson Foundation is with us today.

Jamie, please stand so we can acknowledge your organization's contribution to education in Idaho.

By the end of the current budget year we expect to have 80 high schools connected with the Idaho Education Network's broadband capability.

That already is expanding the horizons of students from Bonners Ferry to Bear Lake.

It's empowering students in Weiser and Emmett who might otherwise never get the chance to benefit from uniquely qualified instructors elsewhere.

And it's enabling students in Sugar City to get the same high level of educational opportunity as those in Jerome and Twin Falls.

I understand that we have students from some of those schools watching us live today over the network.

The Albertson Foundation support will enable us to add 80 more high schools in Fiscal Year 2011 and 40 more in Fiscal Year 2012.

That will make a big difference for access to education, and the ability of our students to engage in the dual-credit enrollment programs that offer a leg up on higher education.

It also will help us keep improving student achievement scores by building on the work of Superintendent Luna, local educators and our newly created assessment group led by Christine Donnell.

But I don't want anyone to think that the Idaho Education Network is only about schools.



It also is about bringing employment opportunities to our communities, making government more efficient, accessible and responsive, and opening up the wider world to all our citizens.

Those goals are why I am proposing that we continue preparing for tomorrow's work force by:

Providing funds to handle the tremendous enrollment growth at the College of Western Idaho,

By fully funding our commitments to cooperative medical education programs,

By continuing to invest in the ground-breaking work being done at the Center for Advanced Energy Studies in Idaho Falls,

And by providing \$1 million in Opportunity Scholarships to help our deserving students stay here at home to continue their education.

After all, we badly need the best and brightest of our Idaho young people to get their educations here and stay here for productive and fulfilling careers.

Careers like those being created in such emerging green industries as geothermal, wind, solar, biomass and other renewable energy generation, and for what we hope and believe will be a resurgence of cleaner, carbon-neutral and more efficient nuclear power.

We need our Idaho young people to stay here on the land.

And that means ensuring we have the water they need to keep making the desert bloom, to raise their families as well as their crops and livestock in keeping with our strong and rich agricultural heritage.

That's why I'm proposing that we invest \$1 million to continue implementing the Comprehensive Aquifer Management Plan that's showing such great promise in protecting and preserving our precious water resources.

I appreciate the work of Chairman Stevenson, Representative Raybould, Representative Bedke, Senator Brackett, Senator Siddoway and others in that effort.

We need our Idaho young people to stay here for the careers that will be created in smarter new electrical transmission corridors being planned throughout the region.

And we need our Idaho young people to stay here to bring their passion, energy and talents to our growing health care community.

That's why we're launching a new public-private partnership aimed at paying for more newly minted physicians to perform their residencies here in Idaho.

I'm very pleased today to announce that Blue Cross of Idaho is leading the way in that effort by committing \$300,000 to Idaho residencies over the next three years.

Blue Cross President and CEO Ray Flachbart is with us here today. Ray, stand up and be recognized my friend!

Thank you for your willingness to act on your belief in a stronger, better, healthier Idaho.

Now we want to challenge our partners in the insurance and health care communities to join us in this endeavor to put more medical residents in Idaho communities.

You can expect to hear more about health care later this year as we work with Chairmen Lodge and Block on those issues.

The bottom line of all these efforts is empowering Idahoans ensuring they have the freedom and opportunity to reach their own greatest individual potential.

We also deserve the opportunity to reach our own greatest potential as a state.

That's why I want to congratulate the Idaho Fish and Game Commission, Director Cal Groen's Department of Fish and Game, the Legislature and our Idaho sportsmen for developing a State wolf management plan that passed muster with the U.S. Fish and Wildlife Service and a federal judge.

Now this federally imposed predator is being managed for long-term sustainability as a trophy game animal, and our ungulates and livestock once again have a fighting chance.

I also want to congratulate Nate Fisher at the Office of Species Conservation, other State agencies, local units of government and especially the landowners who worked so well together to protect and preserve the southern Idaho desert plant known as slick spot peppergrass.

Unfortunately, the federal government in its infinite wisdom concluded that local folks weren't up to that task, so it imposed Endangered Species Act protections.

Yes, the feds are casting aside the collective judgment of the people born to this land and who care most about it in favor of bureaucratic nonsense and an invitation to endless court battles.

Well, ladies and gentlemen, I am fighting that decision in court.

And with your help and continued strong support we will carry the day while doing the right thing by the species and our people.

I also am continuing my fight to keep the feds from using Idaho as a dumping ground for its elemental mercury.

We have worked too hard protecting the Snake River Plain Aquifer and building a strong and collaborative relationship with our partners at the Idaho National Laboratory to allow it all to be put at risk by a misguided federal decision.

I will not allow Idaho to become the nation's dumping ground for its elemental mercury!

There is a similar policy-making sleight-of-hand going on with the federal administration's efforts to foist the cost of a budget-breaking entitlement program onto our backs.

The so-called health care "reform" bills being promoted by the President's party in Congress could add as much as half a billion dollars to Medicaid costs in Idaho.

Folks, that kind of unprecedented expansion would force us here at home to make even more difficult and painful decisions about what gets cut from public schools, higher education, corrections, public safety and other fundamental services.

Just as importantly, it would saddle our children and our children's children with what Thomas Jefferson called the "moral canker" of staggering public debt far into the future.

Thank you for supporting me and our entire Idaho congressional delegation in fighting against this wholesale assault on our self determination.

That message of a desire for individuals and communities to have the freedom and opportunity to live up to their own greatest potential is a thread that ran through all my Capital for a Day events during this past year.

Idahoans need and deserve to know we're listening, and that their opinions and well-being are all that really matters.

I have been humbled time and again by the expressions of thanks and surprise I hear from citizens in communities throughout our state when they get to stand up and be heard.

Sometimes they arrive angry. Many times they arrive frustrated.

But for the most part they come away from our Capital for a Day events with a renewed belief in what government can and should be, and a renewed faith in their own ability to make a difference.

The people of Idaho are not looking for handouts or for government to solve their problems.

They only want government to get behind their own solutions and not stand in the way.

You and I can and must be the champions for those local solutions.

You and I can and must put aside any parochialism or partisanship that clouds our vision, and focus instead on the great things we can do together for the people we serve.

Being together here in the Capitol again will be a big help.

Our communications may have suffered during these past two years that we were displaced. But please remember that my door is and always will remain open to you.

My friends, there is no limit to what we can accomplish when we work together.

Consider how we reached a beneficial settlement to a long-running dispute with Idaho Power over Snake River water rights.

Consider how we found a way to reduce grass-field burning in northern Idaho by bringing together growers and those concerned about local air quality.

Consider how we protected the precious drinking water for hundreds of thousands of Idahoans and ended years of litigation with waste cleanup agreements at the Idaho National Laboratory.

Consider how we laid the groundwork for hundreds of high-paying careers by convincing AREVA to build a multibillion-dollar uranium enrichment plant near Idaho Falls.

Consider how we created more community college and training opportunities for Idaho's young people and those working through mid-career transitions.

And consider how we joined hands to create the Opportunity Scholarship Trust Fund.

As a result, we now are able to help ensure money doesn't keep more Idaho students out of college or career training.

And we can do all these good and appropriate things without imposing seemingly endless squabbles on the people we serve.

Legislative sessions have averaged 82 days over the past 20 years or so. Last year factors beyond our control pushed us about 50 percent over that average.

I'm sure you share my hope today that by sticking to our principles and core values we can balance the scales and make this among the shortest, most congenial, most collaborative and most productive legislative sessions in our history.

Before I close, let me say just a few words about the men and women of our Idaho National Guard.

As you know, there is a very real possibility that thousands of our friends, neighbors and loved ones will be deployed into a war zone later this year.

That knowledge made the recent holiday season particularly bittersweet for our citizen soldiers preparing to once again go into harm's way to help protect our freedoms and way of life.

Miss Lori and I were there early on the Sunday morning after Christmas as a group of Idaho Army National Guard warriors bound for duty in Afghanistan said goodbye to their families.

Those troops from Detachment 35 of the Operational Support Airlift Command will be helping protect their comrades in arms from the improvised explosive devices that are killing and wounding so many of our brave men and women.

Please join me in remembering them in your prayers and well wishes for their safety.

And please join me as well in praying for the freedom and safe return to his Idaho family of Private First Class Bowe Bergdahl of Hailey, who has been held prisoner by the Taliban since June.

We are united in our outrage at his abduction and our support for his family, friends and loved ones here at home.

Ladies and gentlemen, we are an Idaho family. We have a shared history and a shared vision for our future a vision of an Idaho where our opportunities match our unlimited dreams and potential, where individual freedom and civic virtue are synonymous, and where we are the architects our own destiny.

Because we truly are all in this together.

Thank you for your attention. Thank you for your service to the people of Idaho. May God bless this Legislature and the work it is about to do. And may God bless us all.

The Speaker thanked Governor Otter and the Governor took a seat at the podium.

The committee appointed to wait upon the Governor came forward and escorted him from the Chamber and was, on its return, thanked and discharged by the Speaker.

The committee appointed to wait upon the Supreme Court Justices and the Appellate Court Judges came forward and escorted them from the Chamber and was, on its return, thanked and discharged by the Speaker.

The committee appointed to wait upon the Elected Officials came forward and escorted them from the Chamber and was, on its return, thanked and discharged by the Speaker.

Mr. Moyle moved that the Governor's State of the State Message and Budget Address be printed in both the House and Senate Journals. Seconded by Mr. Rusche.

The question being, "Shall the motion carry?"

Whereupon the Speaker declared the motion carried by voice vote and ordered the Governor's State of the State Message and Budget Address printed in both the House and Senate Journals.

Mr. Moyle moved that the Joint Session be dissolved.  
Seconded by Mr. Rusche. Motion carried.

The Senate returned to its Chamber.

There being no objection, the House advanced to the  
Sixteenth Order of Business.

**Adjournment**

Mr. Moyle moved that the House adjourn until 11:30 a.m.,  
Tuesday, January 12, 2010. Seconded by Mr. Rusche. Motion  
carried.

Whereupon the Speaker declared the House adjourned at  
2:07 p.m.

LAWERENCE DENNEY, Speaker

ATTEST:

BONNIE ALEXANDER, Chief Clerk